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5 September 1964

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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

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CENTRAL INTELLIGENCE BULLETIN

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CENTRAL INTELLIGENCE BULLETIN

5 September 1964

DAILY BRIEF

*Chile: Christian Democrat Eduardo Frei has won a landslide victory in yesterday's presidential election.

Returns as of 0430 EDT give Frei 1,463,535 votes to 975,690 for his Communist-backed Socialist opponent, Salvador Allende.

Allende conceded defeat only four hours after the polls closed, saying the growing Frei margin could not be overcome. Demonstrating responsibility, Allende told a crowd of his enraged followers that "we must know how to win and lose."

Possibilities of violence were greatly reduced by Allende's attitude, by the extent of his defeat, and by the careful preparation of the authorities.

Frei's impressive victory provides him with a clear mandate for the expansive reforms which he has advocated for Chile. Nevertheless, he will lack a majority in Congress, at least until after the March congressional elections, and he can no longer count on the support of the Conservatives and Liberals who backed him against Allende.

*South Vietnam: Premier Khanh is outlining an ambitious schedule of political reforms for the next two months?

He has announced that in this period he will reorganize his present government to give it a civilian look. He also plans to form a predominantly civilian committee which will be entrusted with the task of organizing a provisional government by November. Khanh has implied that at that time the military would be prepared to withdraw from the political sphere?

Within this broad framework, the implementing details apparently still remain to be worked out. Contrary to public implications that the triumvirate composed of himself and Generals Minh and Khiem would dissolve itself, Khanh told Ambassador Taylor that it would be in existence until 1 November.

He told Taylor that all ranking military members of his government had submitted their resignations, but he had not yet decided which ones he could afford to accept at the present time. He also outlined a number of field command changes he intended to make in order to reduce any coup threat from Dai Viet officers and to remove sources of Buddhist complaints?

Despite Khanh's claim that he now has a clear field to make such changes, he faces serious obstacles. The Buddhists show signs of continuing to make unreasonable demands, and disgruntled military officers may yet react?

Next 2 Page(s) In Document Exempt

Malawi: A cabinet revolt in Britain's former Nyasaland protectorate may upset the rule of popular pro-Western Prime Minister Kumuzu Banda.

In protest against Banda's high-handed administration, virtually the entire cabinet has demanded that he surrender his four ministerial portfolios and accord the ministers greater power and respect. The ministers also object to Malawi's close ties with Portuguese-controlled Mozambique, necessary for the country's economic well-being but anathema to most African nationalists.

Early this week Banda capitulated to their demands. He also agreed to end "ostentatious" relations with Portugal, and to invite Soviet and Chinese Communist missions to visit Malawi.

NOTES

India: Factional strife in the Congress Party ruling the south Indian state of Kerala presents a major problem for the Shastri government. Unless the differences are resolved before next Monday's scheduled vote of confidence in the state assembly, the local government will fall. New Delhi would then probably choose to impose its own "president's rule" pending regular elections next February, rather than call immediate elections from which the Communists, who formerly ruled the state, would probably be the chief beneficiaries.

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Brazil: The government will apparently not yield to demands of the hard-line group within the Brazilian military, according to US Embassy officials. President Castello Branco stated on 31 August that he was not considering declaring a state of siege or reassuming drastic punitive powers. Also, it now appears that Sao Paulo Governor Adhemar de Barros, whose removal on grounds of corruption has been a major objective of an important segment of the hard-line group, will retain the governorship at least temporarily. The hard-liners remain a significant political force, but they are evidently not now powerful enough to force a basic change in the administration's policies.

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DAILY BRIEF

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The Under Secretary of State for Political Affairs

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The Secretary of the Treasury

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The Director of Naval Intelligence, Department of Navy

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